

FILED MAR 13 1997

SENATE FILE **465**
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 130)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to garnishment of employee's earnings.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

SE. 465

1 Section 1. Section 642.21, subsection 1, Code 1997, is
2 amended to read as follows:

3 1. The disposable earnings of an individual are exempt
4 from garnishment to the extent provided by the federal
5 Consumer Credit Protection Act, Title III, 15 U.S.C. ~~secs-~~ §
6 1671--1677 (1982). The maximum amount of an employee's
7 earnings which may be garnished during any one calendar year
8 is two five hundred fifty dollars for each judgment creditor,
9 except as provided in chapter 252D and sections 598.22,
10 598.23, and 627.12, or when those earnings are reasonably
11 expected to be in excess of twelve thousand dollars for that
12 calendar year as determined from the answers taken by the
13 sheriff or by the court pursuant to section 642.5, subsection
14 4. When the employee's earnings are reasonably expected to be
15 more than twelve thousand dollars the maximum amount of those
16 earnings which may be garnished during a calendar year for
17 each creditor is as follows:

18 a. Employees with expected earnings of twelve thousand
19 dollars or more, but less than sixteen thousand dollars, not
20 more than four eight hundred dollars may be garnished.

21 b. Employees with expected earnings of sixteen thousand
22 dollars or more, but less than twenty-four thousand dollars,
23 not more than eight one thousand six hundred dollars may be
24 garnished.

25 c. Employees with expected earnings of twenty-four
26 thousand dollars or more, but less than thirty-five thousand
27 dollars, not more than one three thousand five-hundred dollars
28 may be garnished.

29 d. Employees with expected earnings of thirty-five
30 thousand dollars or more, but less than fifty thousand
31 dollars, not more than two four thousand dollars may be
32 garnished.

33 e. Employees with expected earnings of fifty thousand
34 dollars or more, not more than ten twenty percent of an
35 employee's expected earnings.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

EXPLANATION

This bill amends Code section 642.21, subsection 1, relating to the amount of an employee's earnings which may be garnished. The bill raises the maximum amount of an employee's earnings which may be garnished during any one calendar year to \$500 for each judgment creditor, except as provided in Code chapter 252D and sections 598.22, 598.23, and 627.12, or when those earnings are reasonably expected to be in excess of \$12,000 for that calendar year.

If an employee's yearly earnings are reasonably expected to be more than \$12,000, the bill provides for the following maximum amounts for each calendar year for each creditor:

- 1. For earnings of \$12,000 to less than \$16,000, not more than \$800 may be garnished.
- 2. For earnings of \$16,000 to less than \$24,000, not more than \$1,600 may be garnished.
- 3. For earnings of \$24,000 to less than \$35,000, not more than \$3,000 may be garnished.
- 4. For earnings of \$35,000 to less than \$50,000, not more than \$4,000 may be garnished.
- 5. For earnings of \$50,000 or more, not more than 20 percent of an employee's expected earnings.

Other garnishment limitations in Code sections 537.5105, 627.6, and 630.3A are not affected by this bill.

Bartz, chair
Maddox
Deluhery

SSB 130
Commerce

SENATE FILE [^] SF/HF 465
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIR-
PERSON JENSEN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to garnishment of employee's earnings.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

1 Section I. Section 642.21, subsection 1, Code 1997, is
2 amended to read as follows:

3 1. The disposable earnings of an individual are exempt
4 from garnishment to the extent provided by the federal
5 Consumer Credit Protection Act, Title III, 15 U.S.C. secs. §
6 1671--1677 (1982). The maximum amount of an employee's
7 earnings which may be garnished during any one calendar year
8 is two five hundred fifty dollars for each judgment creditor,
9 except as provided in chapter 252D and sections 598.22,
10 598.23, and 627.12, or when those earnings are reasonably
11 expected to be in excess of twelve thousand dollars for that
12 calendar year as determined from the answers taken by the
13 sheriff or by the court pursuant to section 642.5, subsection
14 4. When the employee's earnings are reasonably expected to be
15 more than twelve thousand dollars the maximum amount of those
16 earnings which may be garnished during a calendar year for
17 each creditor is as follows:

18 a. Employees with expected earnings of twelve thousand
19 dollars or more, but less than sixteen thousand dollars, not
20 more than four eight hundred dollars may be garnished.

21 b. Employees with expected earnings of sixteen thousand
22 dollars or more, but less than twenty-four thousand dollars,
23 not more than eight one thousand six hundred dollars may be
24 garnished.

25 c. Employees with expected earnings of twenty-four
26 thousand dollars or more, but less than thirty-five thousand
27 dollars, not more than one three thousand five-hundred dollars
28 may be garnished.

29 d. Employees with expected earnings of thirty-five
30 thousand dollars or more, but less than fifty thousand
31 dollars, not more than two four thousand dollars may be
32 garnished.

33 e. Employees with expected earnings of fifty thousand
34 dollars or more, not more than ten twenty percent of an
35 employee's expected earnings.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

EXPLANATION

This bill amends Code section 642.21, subsection 1, relating to the amount of an employee's earnings which may be garnished. The bill raises the maximum amount of an employee's earnings which may be garnished during any one calendar year to \$500 for each judgment creditor, except as provided in Code chapter 252D and sections 598.22, 598.23, and 627.12, or when those earnings are reasonably expected to be in excess of \$12,000 for that calendar year.

If an employee's yearly earnings are reasonably expected to be more than \$12,000, the bill provides for the following maximum amounts for each calendar year for each creditor:

1. For earnings of \$12,000 to less than \$16,000, not more than \$800 may be garnished.

2. For earnings of \$16,000 to less than \$24,000, not more than \$1,600 may be garnished.

3. For earnings of \$24,000 to less than \$35,000, not more than \$3,000 may be garnished.

4. For earnings of \$35,000 to less than \$50,000, not more than \$4,000 may be garnished.

5. For earnings of \$50,000 or more, not more than 20 percent of an employee's expected earnings.

Other garnishment limitations in Code sections 537.5105, 627.6, and 630.3A are not affected by this bill.